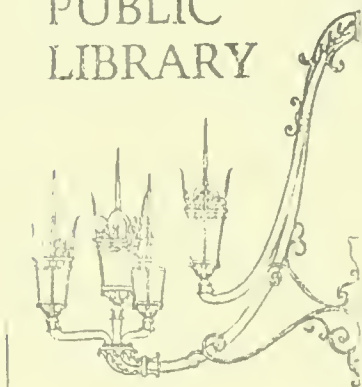


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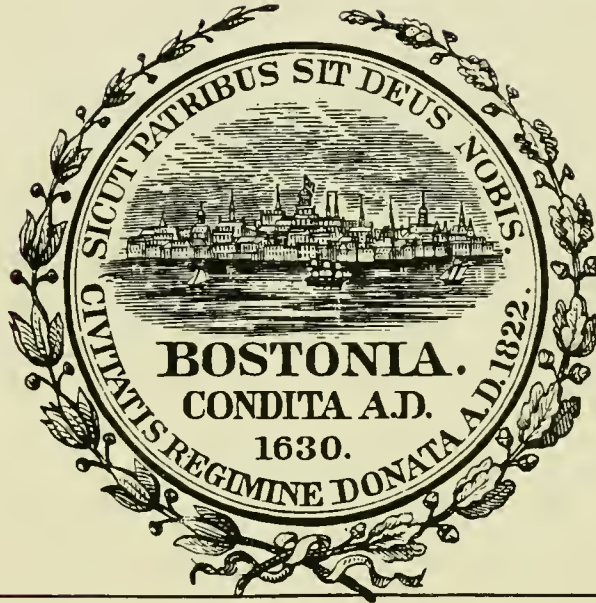


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HYNES AUDITORIUM EXPANSION AND RENOVATION PROGRAM

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HYNES AUDITORIUM EXPANSION AND RENOVATION PROGRAM

An Application Submitted to the Secretary of Administration and Finance
of the Commonwealth of Massachusetts

Kevin H. White, Mayor

Robert J. Ryan, Director
Boston Redevelopment Authority

Donald Manson, Director
Public Facilities Department

September 16, 1981



KEVIN H WHITE
MAYOR

CITY OF BOSTON
OFFICE OF THE MAYOR
CITY HALL, BOSTON

September 16, 1981

Mr. Edward T. Hanley, Secretary
Administration and Finance
State House
Room 373
Boston, MA 02133

Dear Secretary Hanley:

I am pleased to submit an application under Chapter 482 of the Acts of 1980 for State financing of the Hynes Auditorium expansion.

As you will recall in previous correspondence on January 26, 1980, the City had commissioned the consulting firm of Peat, Marwick, Mitchell and Company to undertake a convention market study and evaluation of various development options. This study (see attachment) is now complete. The report recommends a major renovation and expansion of Hynes Auditorium. The preliminary cost estimate is \$25-30M (\$7 M for renovation and \$18-23M for the expansion).

The expansion of Hynes Auditorium is a challenging project which must be carried out on a tight time schedule in order to be coordinated with the development plans of the Prudential Center, as well as the construction of 4,500 new hotel rooms which are underway or proposed to be completed by 1984-1985.

The City proposes to enter into an agreement with the Commonwealth so that it can finance the architectural/engineering work which must be undertaken immediately. At the same time, the City will finalize an appropriate agreement with the Prudential Center for use of a portion of Prudential Center land necessary to accommodate the Hynes expansion. The City has met with the Prudential Center and has received their support to pursue funding for the proposed expansion.

The City is committed to fund its 30% share of the project using local and private resources. We will work with you and the State legislative leadership to amend the convention facility bill in order to cover the State's 70% share of this project.

At this time, I want to requisition \$3 million for the architectural/engineering work and encumber the balance of \$4.3 million in the convention facility fund as a portion of the State's 70% share of the total project.

I look forward to your prompt review of this application so that we can immediately begin the design phase of this important project.

Sincerely,

Kevin H. White
Mayor

JOHN B. HYNES VETERANS AUDITORIUM RENOVATION AND EXPANSION

BACKGROUND

The consulting firm of Peat, Marwick, Mitchell and Company was retained by the City of Boston's Public Facilities Department and the Boston Redevelopment Authority in September, 1980, to undertake a convention market analysis and evaluation of various development sites. The consultant's report which is attached has been completed. The report recommends a major renovation and expansion of Hynes Auditorium.

The John B. Hynes Auditorium is the oldest and largest convention facility in the State. The Peat, Marwick, Mitchell report has established the need for expanding and renovating this facility. A preliminary development program and cost estimate has been prepared. But, because the project will require building on both City of Boston and Prudential Center property in areas near and over the Turnpike, more detailed architectural and engineering work and negotiations with the Prudential Center must be carried out before the details of the project can be finalized.

The City requests in this application state funding of the design phase of this project. Carried out over a year's time period at a cost of \$3 million, the City will then be able to determine the full costs of this project and the required construction schedule.

While the design work is being carried out, the City and State will work together to secure the required legislation to fund the State share of the Hynes expansion. The convention facility fund must

be amended for the State to be able to finance its 70% share of the total project.

The Commonwealth has recognized that as a major beneficiary of the taxes generated by the hotel/convention industry, it should finance 70% of the development cost of convention facilities.

The Commonwealth gets the taxes generated by the convention business - i.e., hotel rooms, meals, liquor, payroll, etc. These taxes will increase by some \$20m annually as a result of the Hynes expansion. Employment is projected to increase by at least 7,912 new jobs.

The City only benefits from the property tax revenue resulting from new hotel construction. The City taxes are estimated to increase by \$4m annually by 1985 (one-fifth of the State's benefits) as a result of the construction of some 4,500 new hotel rooms in the City.

The application which follows addresses the need to improve the facility and continue Boston's role as a national center for conventions. With financial support from the Commonwealth, the City will be able to pursue this development program.

27.04 Project Information Requirements

(1) Site Description and Costs

a. Location/Description

The John B. Hynes Veterans Auditorium is located adjacent to the Prudential Center at the corner of Dalton and Boylston Streets in the Back Bay section of Boston.

The expansion of Hynes Auditorium is to take place by building a multi-level addition extending out some 90-120 feet in the Ring Road in front of Hynes Auditorium and a second level addition above Prudential commercial space on the south side of Hynes. The proposed expansion areas are indicated on the site plan. A summary of the space program is indicated on Table 1.

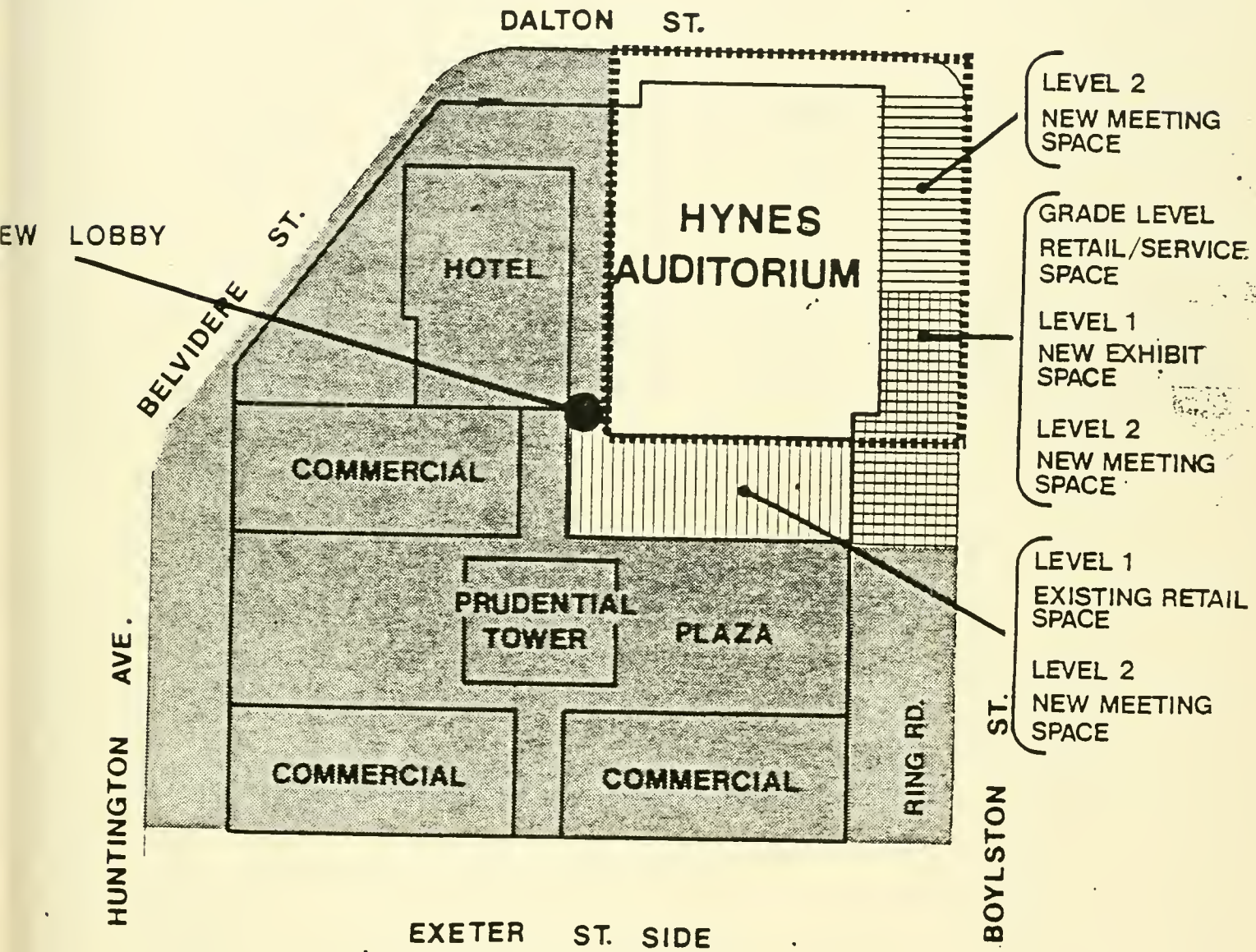
At grade level in the Ring Road would be constructed retail and service space. At the plaza level would be an addition of 30,000 gross square feet of exhibit space. And, at the second level, above Prudential's commercial space and the proposed exhibit space addition extending to Dalton Street in front of the Auditorium lobby would be 80,000 gross square feet of new specialized meeting space. A new lobby at the Plaza level connecting the hall to the Sheraton Hotel and plaza level circulation would also be built. Sub-surface parking (3 levels; 86 spaces/level) would be constructed if feasible in the basement area of the Ring Road addition on City of Boston property.

The expansion would not require any building demolition. All new construction on Prudential Center property would take place

above existing structures and would not interfere with their current system of circulation.

The Hynes Auditorium site is bisected by the Turnpike (see ownership map). As a consequence, new development is proposed in areas which would not require bridging the turnpike easement. Although the meeting room structure is built over the turnpike in both City of Boston and Prudential Center property, the weight loads, being less than that of exhibit space, could more easily be accommodated without resulting in excessive premium construction costs.

SITE PLAN HYNES AUDITORIUM EXPANSION



SPACE PROGRAM

HYNES EXPANSION: MEETING ROOM ADDITION

Room/Use	Square Feet of Space					
	<u>Existing</u> <u>Net</u>	<u>Gross</u>	<u>Proposed</u>		<u>Total</u>	
			<u>Net</u>	<u>Gross</u>	<u>Net</u>	<u>Gross</u>
Banking	-	-	240 spaces		240 spaces	
1st Level:						
Service/Office	36,000	72,000	7,500	15,500	43,550	87,500
2nd Level:						
Exhibit	45,000	90,000	15,075	30,150	60,075	120,150
Lobby	6,750	13,500	3,600	7,200	10,350	20,700
3rd Level:						
Exhibit	30,000	60,000	-	-	30,000	60,000
Meeting	<u>12,000</u>	<u>18,000</u>	<u>52,866</u>	<u>80,100</u>	<u>64,866</u>	<u>98,100</u>
Total	129,750	253,500	79,041	132,950	208,841	386,450

b. Ownership

Property ownership is indicated on the ownership plan.

The ownership of the development areas vary by level and are indicated on the table below.

LAND OWNER/SQUARE FOOTAGE

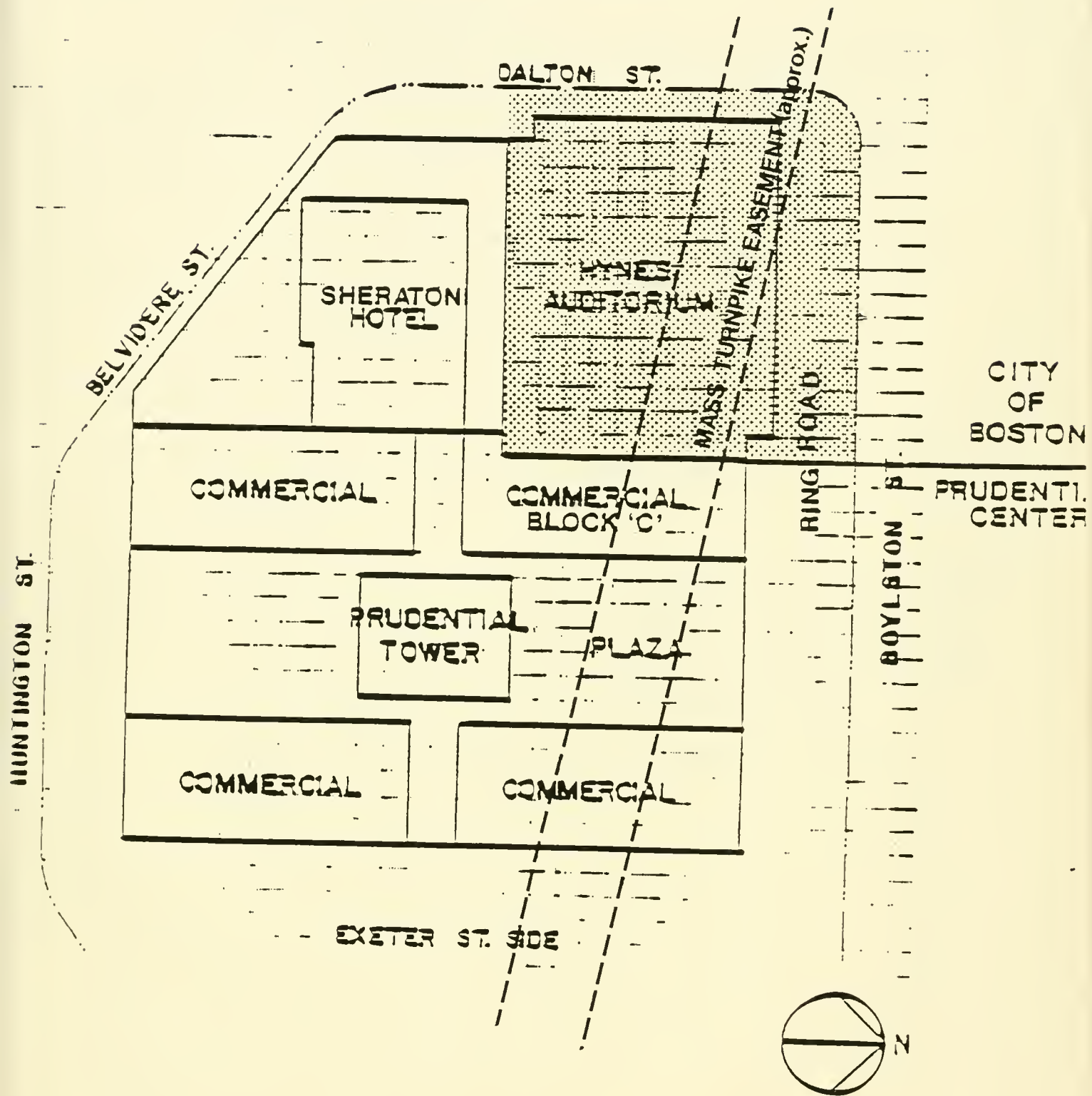
	<u>PRUDENTIAL</u>	<u>CITY OF BOSTON</u>	<u>USE</u>
Grade Level	14,400	19,350	retail,service/ exhibit
Plaza Level	7,200		lobby
Second Level	41,400	38,700	meeting room

The first and second levels on Prudential property would be built above their garage. The second level meeting room addition would be built around and above the commercial space located adjacent to Hynes.

On City of Boston property, the expansion would take place in the undeveloped area of the Ring Road.

The City of Boston will negotiate the use of the air rights from the Prudential Insurance Company of America. A Cooperation Agreement will be prepared as soon as their is assurance of the State funding. A land use agreement will be finalized once a construction financing program is in place and final design documents are prepared.

OWNERSHIP



PRUDENTIAL / HYNES AUDITORIUM
 EXISTING CONDITIONS
 BASE MAP

c. Relocation/Reviews

The proposed expansion will not displace any of the current tenants of the Prudential Center. The construction will be planned so as to work around the operations of Hynes Auditorium and the Prudential Center.

An environmental review will be conducted in accordance with MEPA regulations.

Zoning review of the Hynes Auditorium expansion will be required:

- A municipal use is subject to a special order (approval) of the Zoning Commission after a public hearing.
- Additionally, a portion of the expansion site is located within a Chapter 121A area (Prudential Center) and is therefore subject to a BRA public hearing and approval as an amendment to the original 121A agreement.

No major zoning issues should be involved in either review.

d. Site Preparation Costs

Site preparation costs are included in the total construction cost estimate.

e. Pre-construction Costs

The cost of pre-construction activities is estimated to be \$3m. As itemized on Table 2, this includes monies for carrying out the space programming, engineering, design and environmental studies, construction contract documents, and preparation of the necessary land use agreements with the Prudential Insurance Company.

TABLE 2

HYNES AUDITORIUM EXPANSION

PRE-CONSTRUCTION COSTS

Architecture/Engineering Fees		\$2,413,000
8.23% (of \$7m) for renovation:	\$ 576,000	
6.25% (of \$23m) for addition	1,437,000	
Supplementary Services	400,000	
Space Programmer/Market Planning		60,000
Land Use Agreement with Prudential		70,000
Legal Counsel	35,000	
Real Estate Appraisal	15,000	
Financial Analyst	20,000	
Environmental Impact		60,000
Project Management		<u>100,000</u>
	Sub Total	2,703,000
	10% Contingency	<u>297,000</u>
	Total Pre-Construction Costs	\$3,000,000

f. Construction Costs

The current estimate for construction is \$25-30m based on current dollars. Of this total project cost, \$7m is for renovation and \$18-23m for new construction. This estimate (Table 3) is based upon a square footage evaluation of probable costs.

BRA's consultant estimated \$85/sq.ft. construction cost in non-premium areas. However, local conditions in Boston, in general, and this site, in particular, have led the Public Facilities Department (PFD) to estimate that a minimum of \$110/sq.ft. in non-premium areas is a more reasonable figure. Both PFD and the consultant have utilized a figure of \$175/sq.ft. for construction in the higher cost premium areas.

The \$7m estimate for renovating the interior of Hynes (Table 4) is based upon a preliminary engineering analysis of the facility. It was projected that about \$2m would be required to replace the existing HVAC system. This system is practically worn out and is extremely costly to operate and energy inefficient. A new energy efficient system is required. The balance of monies, \$5 million at an estimated \$20/sq.ft., will be required to upgrade the building finishes which after 15 years of use require refurbishment or replacement.

CONSTRUCTION COST

HYNES EXPANSION: MEETING ROOM ADDITION

Construction Costs

	<u>Construction Cost/ Sq. Ft. (Gross)</u>	<u>Total \$ Cost</u>
Parking	3 levels/86 spaces each level \$10,000/space x 240 spaces	2,400,000
Grade Level		2,125,000
	9,900 s.f. x \$85 = 841,500	
	15,100 s.f. x \$85 = 1,283,500	
Plaza Level		3,980,750
City:	17,550 s.f. x \$ 85 = \$1,487,750	
	<u>1,800 s.f. x \$175 = \$ 315,000</u>	
	19,350 s.f.	
Pru:	10,800 s.f. x \$35 = \$ 918,000	
(Pru lobby)	7,200 s.f. x \$175 = \$ 1,260,000	
Second Level		8,023,500
City	13,500 s.f. x \$175 = \$2,362,500	
	<u>25,200 s.f. x \$ 85 = \$2,142,000</u>	
	38,700 s.f.	
Pru:	37,800 s.f. x \$ 85 = \$3,213,000	
	<u>3,600 s.f. x \$ 85 = \$ 306,000</u>	
	41,400 s.f.	
Sub Total		16,529,250
Hynes Renovation		7,000,000
Sub Total		<u>23,529,250</u>
	10% Contingency	<u>2,300,000</u>
	Total	\$ 25,829,250 - \$30,000,000

*\$30 million BRA/PFD construction cost estimate includes additional monies to cover higher construction costs (\$110/sq.ft. versus \$85/sq.ft.) as well as fees.

TABLE 4
CONSTRUCTION COST
HYNES RENOVATION

New HVAC System (@ \$10/sq.ft.)	\$2 m
Refurbishment (@ \$20/sq.ft.)	5 m
painting	
carpeting	
replacement furniture	
	<hr/>
TOTAL	\$7 m

27.05 Construction Contract Requirements

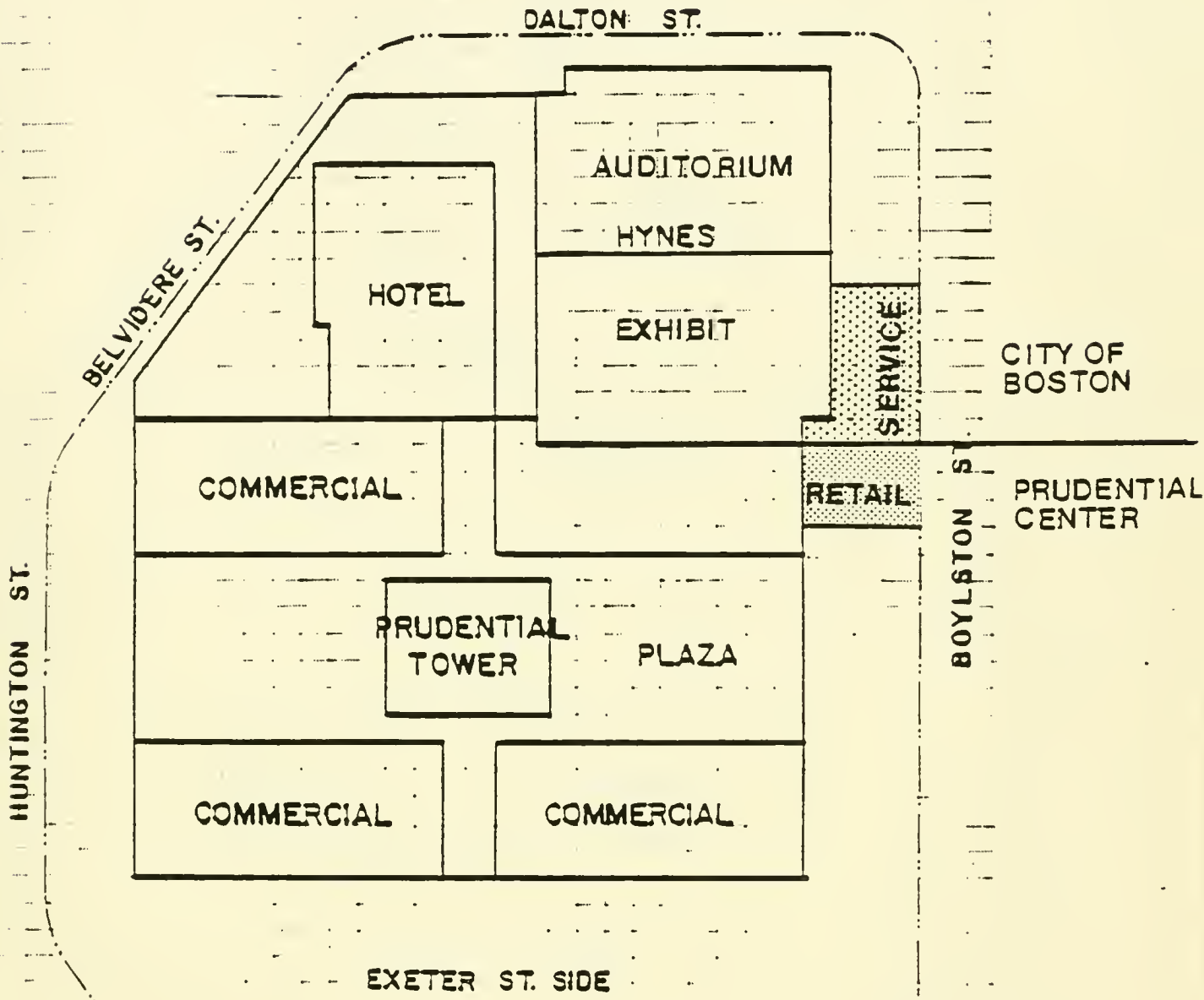
(1) Construction Contract

Construction contract documents will be prepared once the design development drawings are completed. The Public Facilities Department will utilize their standard construction document which is in conformance with current State regulations governing public construction.

(2) Plans

The plans for the Hynes Auditorium renovation and expansion are indicated on Exhibit 1. A rendering showing a conceptual view of the expansion as viewed from Boylston Street is also included. The space program for the areas indicated is detailed on Table 1.

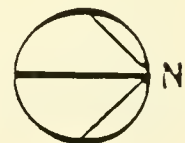
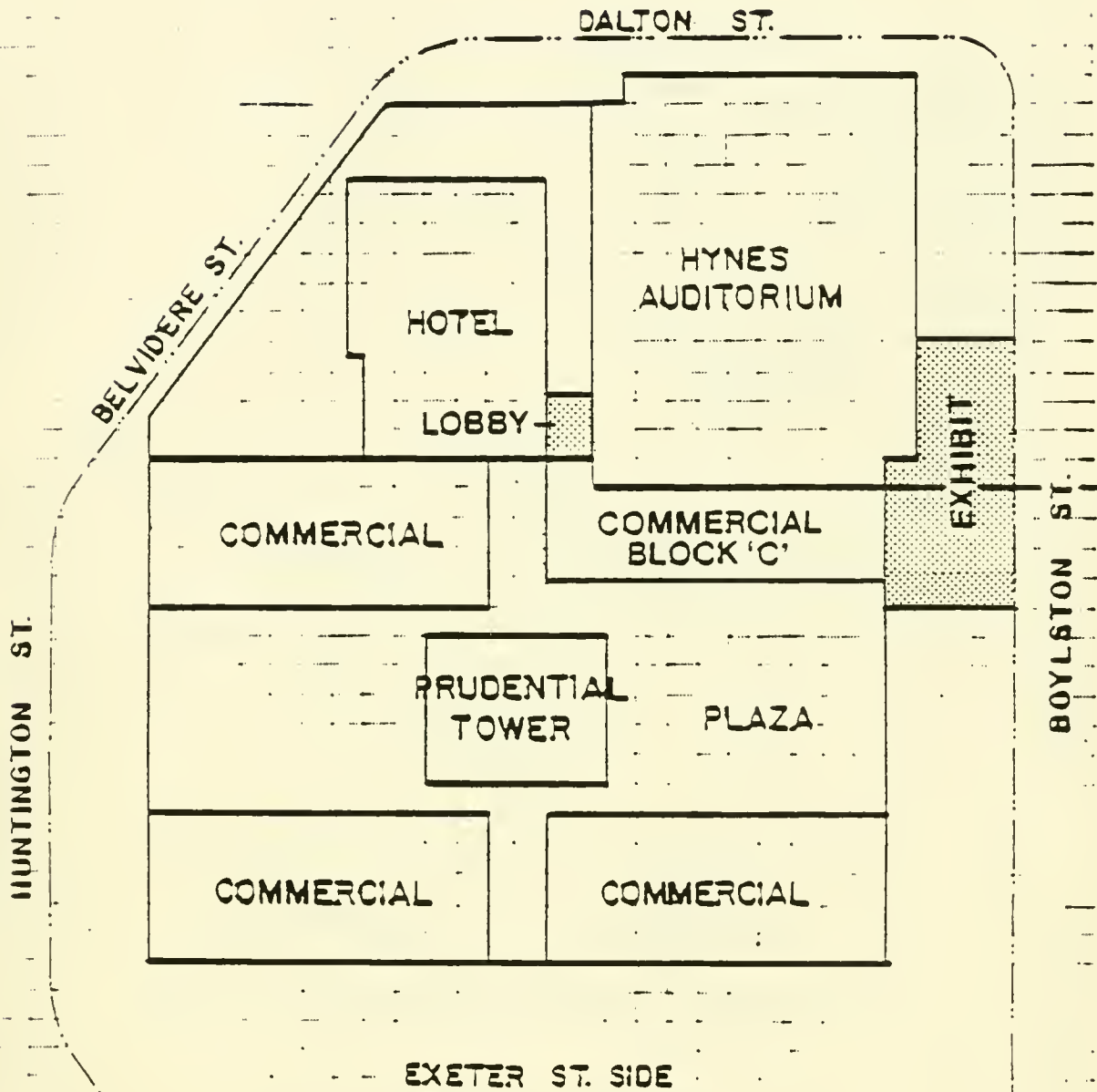
MEETING ROOM ADDITION



PRUDENTIAL / HYNES AUDITORIUM
 GRADE LEVEL EXPANSION

1" = 200'

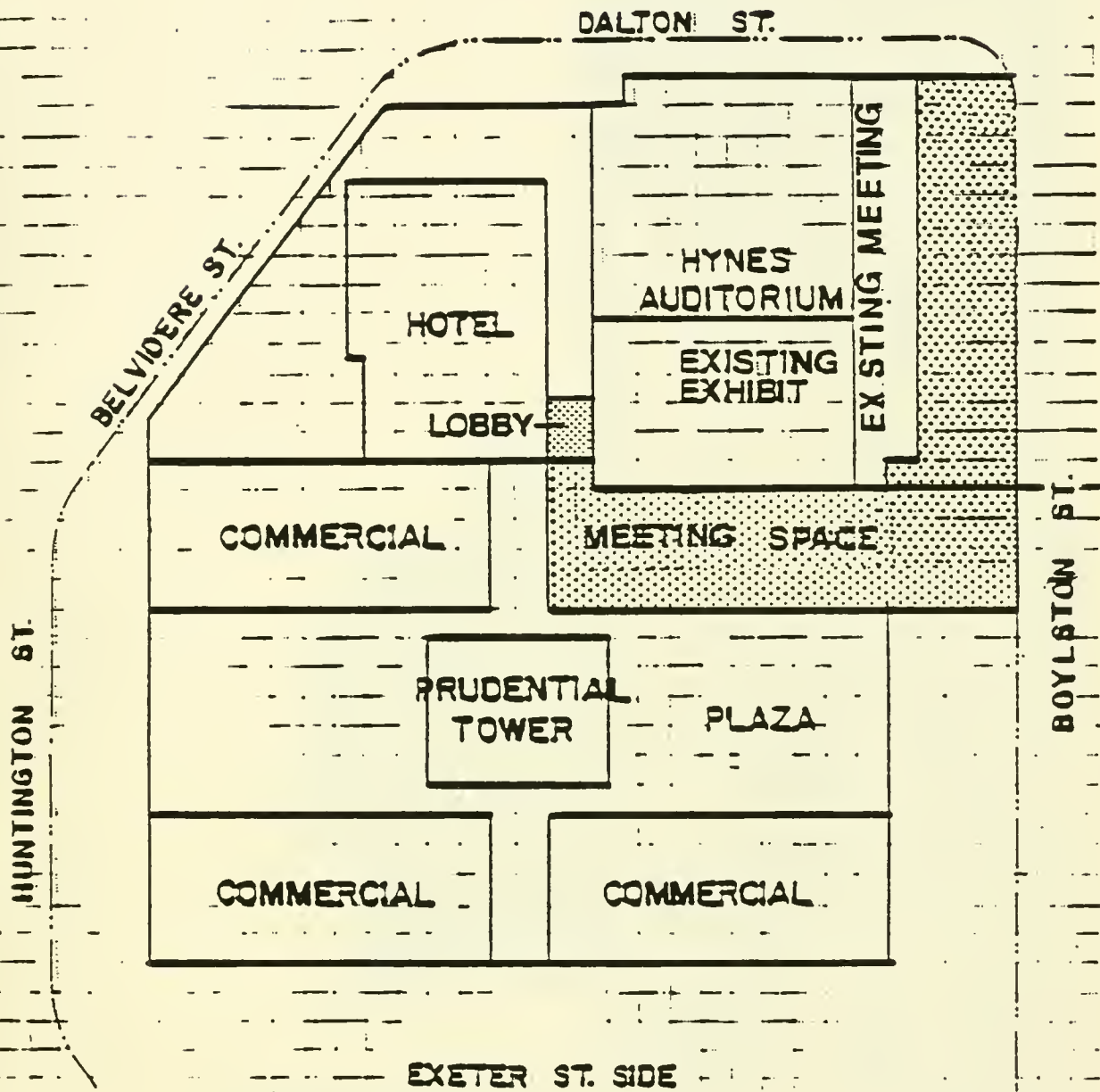
MEETING ROOM ADDITION



PRUDENTIAL / HYNES AUDITORIUM
PLAZA LEVEL EXPANSION

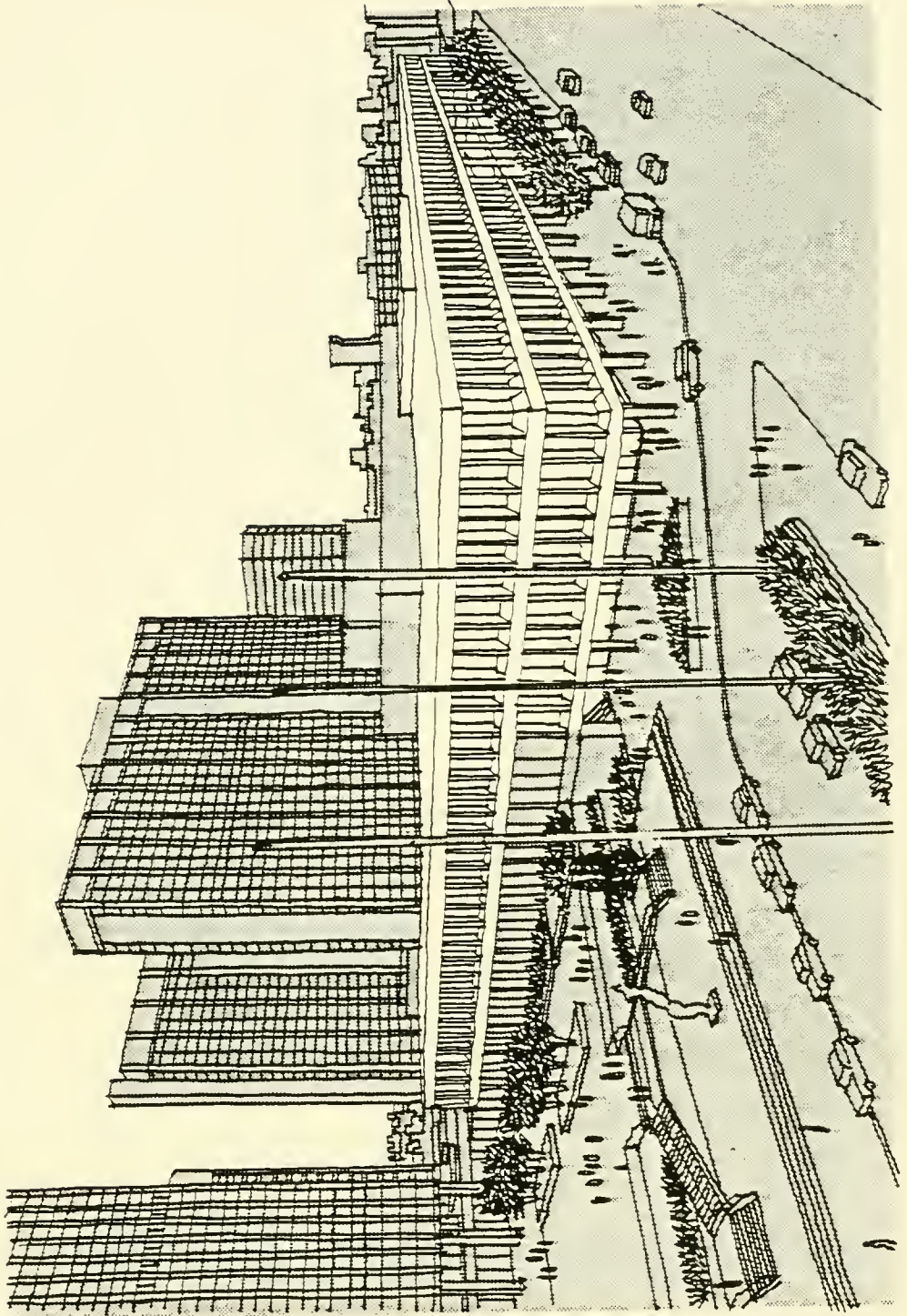
1" = 200'

MEETING ROOM ADDITION



PRUDENTIAL / HYNES AUDITORIUM
SECOND LEVEL EXPANSION

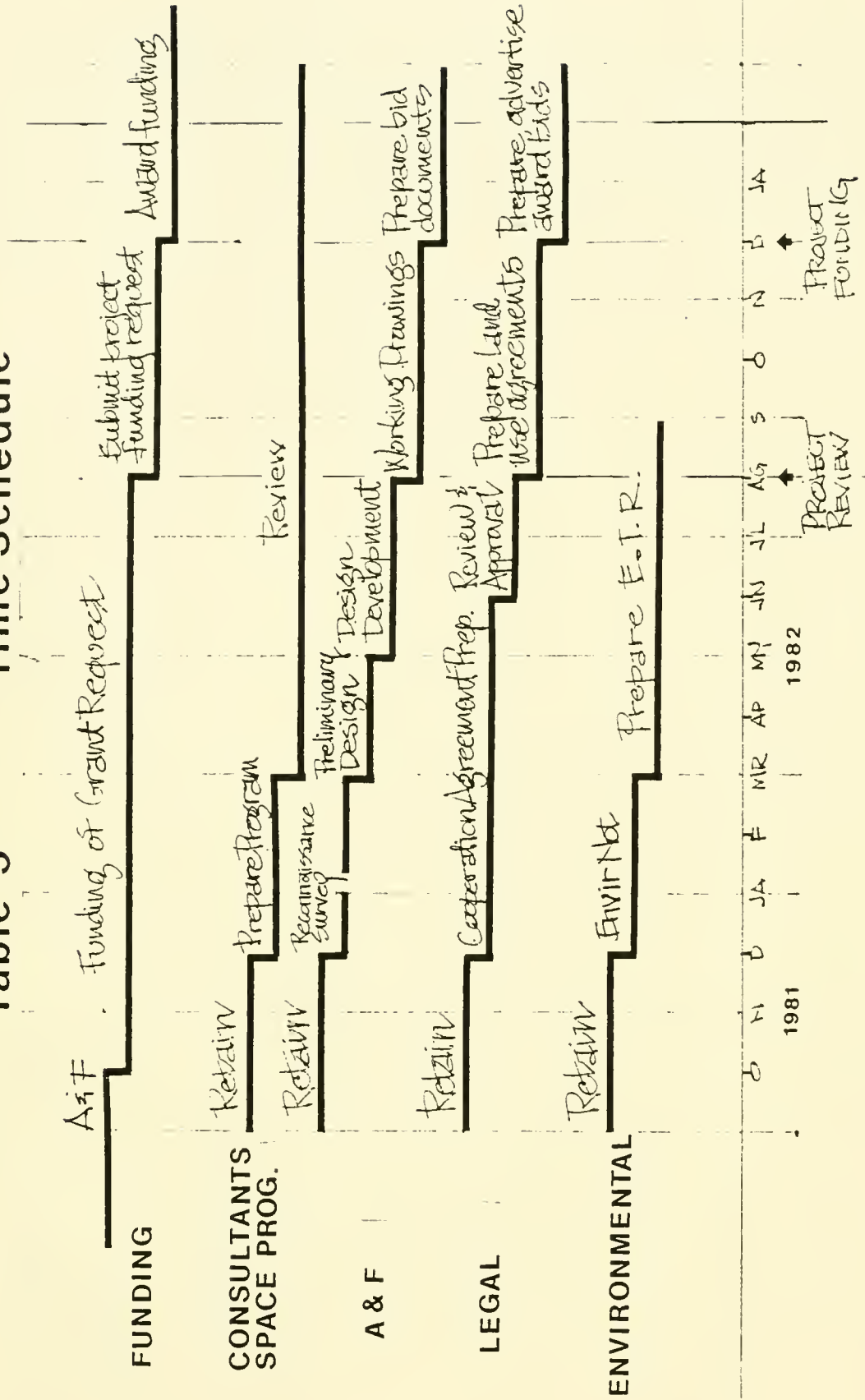
1" = 200'



(3) Schedule

The time schedule for the design phase is indicated on Table 5. The consultants, assuming State funding approval by November 15, would be retained by January 1. An accelerated one-year design process would be undertaken with periodic review at preliminary, design development and working drawings phases. Bid documents would be prepared once there was assurance of State financing for 70% of the total project cost.

Table 5 Time Schedule



(4) Payment Schedule

The City requests funding of the total grant in a lump sum payment. The City would present detailed progress reports in a form satisfactory to the Secretary at the various design phases on a quarterly basis.

(5) Other Information Requested

(a) Total Grant Fund Request

The City is requesting \$3 million from the Commission.

This money is to be budgeted for the pre-construction costs as summarized below:

Architectural and Engineering Fees	\$2,413,000
Space Programming	60,000
Land Use Agreement	70,000
Environmental Impact	60,000
Project Management	100,000
Contingency	297,000

The City is also requesting that the balance of \$4 million in the Convention Facility Fund (\$7.4m - \$3m) be encumbered for the construction phase of the project.

The total estimated construction cost is \$25-30m of which the State 70% share would be \$17.5-\$21m and the City share \$7.5-\$9m. The design phase will have to be completed and the additional money required for the State to meet its 70% share voted by the Commonwealth before the City proceeds with implementing the project.

The City will fund its 30% share utilizing general obligation bond money, as well as various local and federal resources if they can be obtained.

The consultants would jointly be retained by the Boston Redevelopment Authority and the Public Facilities Department. A Cooperation Agreement identifies the respective responsibilities of these agencies.

The Public Facilities Department, as the agency responsible for constructing public facilities, will receive all grant funds, administer the contracts and oversee the preparation of working drawings and construction.

The Boston Redevelopment Authority, as the City's planning agency, will have the lead role in supervising the preliminary design phase of the project.

(b) Projected Revenue

The estimated annual revenue to be generated by the project is indicated on Table 6. Given the long lead time required for convention bookings and the uncertainty of the final construction schedule, it is impossible to project with any level of accuracy projected revenues in the first three years of operation. The annual revenue estimate(\$1,312,000) assumes that the facility is in full operation and can operate gate shows and conventions concurrently.

TABLE 6

PEAT, MARWICK, MITCHELL AND COMPANY

BOSTON REDEVELOPMENT AUTHORITY

Revenues (1980 Dollars)

This schedule has been prepared on the basis of the information and assumptions set forth in Attachment H. The achievement of any financial projection may be affected by fluctuating economic conditions and is dependent upon the occurrence of other future events which cannot be assured. Therefore, the actual results achieved may vary from the projections, and such variation could be material.

NOTE: REVENUE ASSUMPTIONS ARE THE SAME AS THOSE STATED IN ATTACHMENT H.

A. Conventions - Trade Shows

Capture rate of 10.3 x 1990 market = 62 functions

62 functions x 3 event days = 186 paid days

Assume: 21 use entire building @ \$6,200

26 use 2nd floor hall @ \$1,200

15 use 1st floor @ \$4,500

Total estimated Convention - Trade Show revenue = \$ 680,000

B. Gate Shows

Total gate show days available, assuming all can be accommodated on the 1st floor with no "doubling up" = 149

Times 50% = 74 paid days

Assume all use 1st floor @ \$5,000

Total estimated gate show revenue = \$ 370,000

C. Total estimated rental revenue = \$1,050,000

D. Estimated concession revenue @ 25% of rental revenue = \$ 262,500

E. Total estimated revenue - Recommended Scenario = \$1,312,000

BOSTON REDEVELOPMENT AUTHORITY

Revenue Assumptions (1980 Dollars)

- o Rental fees are paid only for "event" days - not set up or take down days.

- o Conventions and trade shows average 6 days duration:
 - 2 set up days
 - 3 event days
 - 1 take down day

- o Gate shows vary in duration, but of the total time allocated to gate shows, they average 50% event days and 50% set up and take down days.

- o Maximum rental rates are set by statute. Rents for scenarios with larger facilities are based on current rates applied to larger proportions of rentable space.

- o Gate shows pay the maximum rate, conventions negotiate rates.

- o Concession revenues are estimated at 25% of rental revenue, based on historic trends established at Hynes Auditorium.

- o Revenue estimates for the following scenarios are in current dollars, but based on the estimated future (1990) market.

- o Meeting room rental is included as part of floor or hall rental.

(c) Full Time Employees

Hynes currently employs eight people at an annual salary of \$210,000. As indicated on Table 7, it is assumed that three additional personnel will be required to operate the enlarged facility.

TABLE 7

PEAT, MARWICK, MITCHELL AND COMPANY

BOSTON REDEVELOPMENT AUTHORITY

Estimated Operating Costs In 1980 Dollars (000's)

This schedule has been prepared on the basis of the information and assumptions set forth in Attachment J. The achievement of any financial projection may be affected by fluctuating economic conditions and is dependent upon the occurrence of other future events which cannot be assured. Therefore, the actual results achieved may vary from the projections, and such variation could be material.

A. Personnel \$ 275

B. Operations and Maintenance:

Communications	14
Heat, Light, Power	840
Repairs	54
Miscellaneous Contracts	-
Supplies	32
Other*	<u>10</u>
Total Operations and Maintenance	<u>950</u>

C. Total \$1,225

*Transportation

TABLE 7

BOSTON REDEVELOPMENT AUTHORITY

Cost Assumptions - (1980 Dollars)

- o Personnel costs - 3 additional staff. 1 @ \$25,000 and
2 @ \$15,000 added to Option Ib base figure.
- no other changes in staffing methodology
- o Communications - 75% increase added to Option Ib base figure.
- o Heat, Light
& Power - 100% increase, then a 20% efficiency discount
applies to Option Ib base figure.
- o Repairs - 50% increase added to Option Ib base figure.
- o Miscellaneous
Contracts - Assumed to be eliminated by renovation efficiencies.
- o Supplies & Other - 100% increase added to Option Ib base figure.

(d) Revenue Estimated for Surrounding Area

The Convention Bureau estimated that the convention industry currently generates some \$320 million in annual revenue. A doubling of the number of conventions resulting from a Hynes expansion would have the following economic impacts:

\$320m in new revenue

\$20m in new State taxes

Absorption of 4,500 additional convention related hotel rooms within Boston

7,912 new jobs (permanent and new construction)

\$300 million in new private investment

Back Bay
B65C
1981

AUTHOR

Hynes Auditorium

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